

**HEARING TO REVIEW THE
IMPLEMENTATION OF SECTION 4022 OF THE
AGRICULTURAL ACT OF 2014: PILOT
PROJECTS TO REDUCE DEPENDENCY AND
INCREASE WORK REQUIREMENTS AND WORK
EFFORTS UNDER THE SUPPLEMENTAL
NUTRITION ASSISTANCE PROGRAM**

HEARING
BEFORE THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

SEPTEMBER 17, 2014

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WEDNESDAY, SEPTEMBER 17, 2014

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Committee met, pursuant to call, at 10:03 a.m., in Room 1300 of the Longworth House Office Building, Hon. Frank D. Lucas [Chairman of the Committee] presiding.

Members present: Representatives Lucas, Goodlatte, King, Neugebauer, Rogers, Conaway, Gibbs, Austin Scott of Georgia, Tipton, Crawford, Hartzler, Noem, LaMalfa, Davis, Yoho, Peterson, David Scott of Georgia, Costa, Walz, Schrader, Fudge, McGovern, DelBene, Negrete McLeod, Vela, Lujan Grisham, Kuster, Nolan, Enyart, Bustos, and Courtney.

Staff present: Josh Mathis, Kevin Kramp, Mary Nowak, Nicole Scott, Tamara Hinton, John Konya, Andy Baker, Evan Jurkovich, Lisa Shelton, Liz Friedlander, Matthew MacKenzie, Robert L. Larew, and Riley Pagett,

**OPENING STATEMENT OF HON. FRANK D. LUCAS, A
REPRESENTATIVE IN CONGRESS FROM OKLAHOMA**

The CHAIRMAN. This full Committee hearing will come to order. Good morning. Today we are here to discuss the implementation of the Supplemental Nutrition Assistance Program work pilots that are a part of the Agricultural Act of 2014. We appreciate the participation of Secretary Vilsack who is with us to discuss these efforts to date. We can all agree on one thing: We want to help the economy where Americans are working and earning a sustainable wage to support their families. Short of that ideal, we want to help Americans get back to work.

In the period between 2008 and 2014 Farm Bills, we saw our economy experience a significant recession. We watched as our nation's safety net was pushed to its extremes, reaching record levels across a number of government programs, including SNAP.

Today we are still experiencing what some have described as the worst recovery ever because in no other recession did it take this

long to recover lost jobs. Some progress has been made. The unemployment rate is down from its peak of ten percent in October of 2009 to the more recent report of 6.1 percent. However, we have only seen a small decrease in the number of SNAP participants.

We know that many families on SNAP are working, but there are others who have not been able to find employment or earn enough to no longer require Federal food assistance.

The pilot projects we are talking about today are a response to that need, incorporating multiple provisions initially contained in the House-passed farm bill. The Agricultural Act provides for up to ten states with up to \$200 million to operate pilot projects designed to help SNAP recipients prepare for and to go to work. The law explains that the approved pilot projects must cover a range of geographic areas, include a mix of voluntary and mandatory participation and include an assortment of methods designed to promote work.

The point of the pilots covering a range of strategies each within a rigorous evaluation is to ensure Congress has the necessary information to make informed decisions about how to help SNAP recipients in the future.

For example, through experimentation in cash welfare, we have learned the success of Work First Programs. These programs are designed to get individuals into work as soon as possible and offer them additional training so they can improve their earnings. We expect these sorts of proven Work First Programs to be among the pilot projects that are approved.

On August 25, USDA released the request for applications and requests for proposals for the SNAP work pilots setting into motion the next phase of implementation. I am pleased the Department has done significant outreach to the states. I look forward to hearing about USDA's efforts to meet the requirements of the legislation. And again, I appreciate the Secretary being here today to provide clarifications and additional information on the work we have done and will continue to do as these pilots operate over the next 3 years.

And now before I yield to the Ranking Member for any remarks he might have, I would once again indulge him as he used to indulge me when I was the Ranking Member starting 6 years ago almost and now in my 10 years as Chairman for a personal thought. This may well be the last full Committee hearing, may well be the last full Committee hearing we have in the 113th Session of Congress, and under House Republican rules, when we reconvene in the 114th, most assuredly there will be new leadership on my side of the room.

So I would like to take a moment to thank the Secretary first for the help that he provided in some of the most critical parts of developing the 2012, then the 2013, then the 2014 Farm Bill that ultimately became the Agricultural Act of 2014. Outside of this room, very few people thought we could get our work done. Very few people as the years rolled along held out much hope or expectation that we would accomplish our assignment. And the Secretary's part in that, I very much appreciate, Mr. Secretary.

And I would also say to the Ranking Member, having been your—I guess the term is co-pilot for 2 years and now having had

your assistance for the last 4 years, I think it can be fairly said that the Committee itself rose to the occasion and worked in a fashion that accomplished what we needed to do. And I very much appreciate the Ranking Member for that. And I would say to the Members on both sides of the aisle as I have said before many times, good people of different opinions working to try to achieve the common goal is still what this legislative body should be all about. Over the course of those 2½ years of legislating we did that.

Now, the folks who will sit at this table next session will continue the process of implementation and working with you, Mr. Secretary. But I do want to express my appreciation to all of you and to note that whatever may happen next year, I intend to continue to work with everyone to try and make sure we have the right agricultural policies for all the good citizens.

[The prepared statement of Mr. Lucas follows:]

PREPARED STATEMENT OF HON. FRANK D. LUCAS, A REPRESENTATIVE IN CONGRESS
FROM OKLAHOMA

Good morning.

Today we are here to discuss the implementation of the Supplemental Nutrition Assistance Program work pilots that are a part of the Agricultural Act of 2014.

We appreciate the participation of Secretary Vilsack who is with us to discuss these efforts to date.

We can all agree on one thing: we want a healthy economy where Americans are working and earning a sustainable wage to support their families. Short of that ideal, we want to help Americans get back to work.

In the period between the 2008 and the 2014 Farm Bills, we saw our economy experience a significant recession. We watched as our nation's safety net was pushed to its extremes, reaching record levels across a number of government programs, including SNAP. Today, we are still experiencing what some have described as the "worst recovery ever" because in no other recession did it take this long to recover lost jobs.

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The point of the pilots covering a range of strategies, each with a rigorous evaluation, is to ensure Congress has the necessary information to make informed decisions about how to help SNAP recipients in the future. For example, through experimentation in cash welfare, we have learned of the success of "work first" programs. These programs are designed to get individuals into work as soon as possible and then offer additional training so they can improve their earnings. We expect these sorts of proven "work first" programs to be among the pilot projects that are approved.

On August 25th, USDA released the Request for Applications and Request for Proposals for the SNAP work pilots setting into motion the next phase of implementation. I am pleased that the Department has done significant outreach to states. I look forward to hearing more about USDA's efforts to meet the requirements of the legislation.

Again, I appreciate the Secretary being here today to provide clarifications and additional information on the work they have done and will continue to do as these pilots operate over the next 3 years.

I will now yield to Ranking Member Peterson for any remarks he may have.

The CHAIRMAN. With that, I would yield to the Ranking Member for any remarks he may have.

**OPENING STATEMENT OF HON. COLLIN C. PETERSON, A
REPRESENTATIVE IN CONGRESS FROM MINNESOTA**

Mr. PETERSON. Thank you, Mr. Chairman, and I want to commend you for the outstanding job that you did leading us through this process. I am proud of what we have been able to accomplish here and the way we have been able to work together to make things happen. And thank God we got the bill done when we did because if we were trying to struggle with it now, it would probably never happen.

I recently was at a meeting and heard a lot of complaining about how we couldn't get anything done and how screwed up everything was up here and so forth, which I agree with. And I said, what needs to happen out there is that they need to just let the Agriculture Committee be in charge of getting this government straightened out, and we will make it happen. And I really believe that we could do that, because we know how to work together, and we know how to sit down and figure out what both sides need and can live with. Our colleagues on some of these other committees could learn a valuable lesson from the Agriculture Committee. And so I commend all of my colleagues for their work and especially the Chairman for leading us. I am not a big fan of these term limits myself, but that is not my business. So I am on your side.

Also, I want to thank the Secretary. He has done a great job over at the Department for the years that he has been there. He was very helpful during the farm bill. He was there to help when he could help, and he stayed out of the way when that needed to happen. And that didn't always happen in the past. You have been a great ally to work with, it has been helpful to the Committee. Thank you for your leadership at the Department and for the people at the Department for the work that they have done to help us and our staffs. I also want to say that our staffs are part of the reason that we are successful. Not only can we work together, our staffs have been able to work together, and that doesn't happen in some of the other committees, either.

So that said, I welcome the Secretary here. And these work pilot programs that we are looking at today are an example of the bipartisan cooperative work that the Agriculture Committee does so well. We authorized these pilot projects because we value work, and we want to put people back to work. The farm bill invested \$200 million to develop and improve innovative approaches to SNAP employment and training. The bill provides USDA with a clear direction for implementing these pilots and ensures that funding will create sustainable jobs by requiring reporting on set performance goals.

Keeping a close eye on USDA's farm bill implementation should be one of this Committee's top priorities, and it is. As for the job the Secretary and the Department are doing in implementing the bill, I have been around here to watch implementations, and this is the quickest, most focused implementation that I have ever seen. So we appreciate what you are doing.

As I understand it, the Department is still awaiting work pilot project applications. So I wonder if we might be getting a bit ahead of ourselves here today. But of course, it is always good to keep educating ourselves, particularly when it comes to SNAP, and I do hope that we can keep the focus on education and oversight and resist some of these outside pressures I hear about to making changes. It is just not realistic. Some people talk about opening up the bill and make changes. That isn't going to happen, and if it ever did, it would be a recipe for disaster.

We need to keep working on oversight and working with the Department.

So, I thank the Chairman for holding today's hearing and look forward to the Secretary's testimony.

The CHAIRMAN. I thank the Ranking Member. The chair would request that other Members submit their opening statements for the record so that the witness may begin his testimony and to ensure that there is ample time for his responses.

[The prepared statement of Mr. McGovern follows:]

PREPARED STATEMENT OF HON. JAMES P. MCGOVERN, A REPRESENTATIVE IN
CONGRESS FROM MASSACHUSETTS

Secretary Vilsack, thank you for being with us today for this hearing. I'll start by saying that it's premature for us to even be having today's hearing. USDA just put out a request for applications for the pilot projects on August 25th and the final deadline for submission isn't until the end of November. So, we really have nothing new to evaluate on work pilots.

I sincerely hope that today's hearing isn't just another opportunity for some on this Committee to publicly bash SNAP and the people who rely on this program to eat. I know it's a popular punching bag, especially as we get closer to Election Day.

Let me remind everyone here of some of the facts. There are 49 million people in this country—the richest country in the history of the world—who are hungry. Nearly 16 million are children.

And, the overwhelming majority of SNAP recipients who can work do. Let's keep in mind that nearly 70 percent of SNAP recipients are not expected to work because they are either elderly, disabled or children.

Yesterday, we learned that the poverty rate fell slightly in 2013 to 14.5 percent. That's a good thing. But, while our economy is slowly recovering from the Great Recession, we know, however, that economic gains haven't been even across all segments of the population. Wages have risen much more slowly or—even stagnated—for low and middle income workers.

These are the same families who are working but who earn so little that they still qualify for SNAP.

And, even though our economic recovery has been slow and uneven, CBO projects that the number of SNAP recipients will continue to fall in the coming years as our economy improves.

Like other Members of the Committee, I'm very interested in seeing what we learn from these pilots. But, it's important to focus on the big picture of how to help SNAP recipients increase their earnings. We need to grow our overall economy and make sure that economic gains benefit all workers.

If we grow this economy, create good jobs, and reduce unemployment, won't many SNAP households leave the program because they are better off? And, those who remain will have more employment and income?

The CHAIRMAN. With that, I would like to welcome to the witness table the Honorable Tom Vilsack, Secretary of the U.S. Department of Agriculture. Mr. Secretary, please begin when you are ready.

**STATEMENT OF HON. THOMAS "TOM" J. VILSACK, SECRETARY,
U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.**

Secretary VILSACK. Mr. Chairman, thank you very much, and I want to thank you and Representative Peterson for acknowledging

the important and good work that USDA staff has been doing on the implementation of this farm bill, and we really welcome the opportunity to speak to the Committee today on the status of the pilot programs to improve our efforts to link those on SNAP who are looking for work to get a job and those who have a job, perhaps, to get an even better job, ultimately designed to reduce the reliance and need for SNAP for those families.

I would be remiss if I didn't echo the comments of the Chairman and the Ranking Member in expressing my thanks to the Chairman and the Ranking Member for their great leadership in getting the farm bill through the process and for this Committee's work in making sure that it happened. This is a bill that I think all of you can justifiably be proud of having passed. We are taking very seriously our responsibility to implement this bill. We have, as you well know, implemented our Disaster Assistance Program: 262,000 producers have already received assistance, over \$2.6 billion. We are excited about the new conservation programs, the RCPP Program and the new easement program. The research foundation has been launched. We have STAX and SCO out. We are working on the dairy program and making sure folks understand how to sign up for that, and we anticipate and expect very soon to have information about ARC and PLC out to the countryside.

So this is a bill that you all can be extraordinarily proud of, and obviously, it would not have happened without strong leadership from the Chairman and the Ranking Member and Members of this Committee. So I am honored to be a part of this process.

And we are excited about the work on the E&T Program. There are roughly five million able-bodied recipients without dependents who are currently receiving SNAP, Mr. Chairman, and a good amount of the \$200 million that you all have allocated for this effort needs to be directed at trying to find opportunities for those individuals.

We are going to take a diverse approach as you have requested and suggested and directed. We are going to look at demand-driven job opportunities. We are going to look at registered apprenticeships, career pathways. We are going to look at the barriers that may exist from job search skills to basic skills. We will indeed be geographically diverse in our approach.

The goal is to find jobs for those who want jobs and need jobs and are without jobs and to find better jobs for those who are currently working. Thirty-one percent of SNAP households have some form of earnings. So obviously, there is still an opportunity there as well.

There will be a strong evaluation component as you have proposed, and there is significant accountability, and we welcome the oversight of this Committee. It is an important responsibility that you have, and it is an important responsibility that we have.

This effort will be collaborative. We will be working with state and local governments, nonprofit organizations in an effort to try to make this work, to try to find the best possible practices that can then be used to encourage other states to embrace these best practices.

There will be a strong outreach effort as there has already been. I am making calls to governors personally to let them know about

this program. We will have a webinar on September 24 which is 2 days before the Letter of Intent deadline of September 26. Applications will be due on November 24, and awards are likely to be made on February 23, 2015.

We look at a program that frankly, in the employment and training area, needs more focus, and the great thing about what you all have done is it has given us an opportunity to encourage states to do an even better job. Frankly we are still leaving resources on the table, and we are not as aggressive as we need to be, and this E&T Program will allow us to be more aggressive.

SNAP numbers are coming down, which is good. It is an effective tool to reduce poverty. We know that as a result of SNAP seven million fewer people are below the poverty line. We know that $\frac{2}{3}$ of those receiving SNAP are children, senior citizens, and adults with disabilities, and seven percent are veterans, and we have the lowest fraud and error rate in the history of the program.

So we are excited about this opportunity, and again, I want to extend my personal thanks to the Chairman for his friendship, direction, and counsel in terms of the farm bill and to the Ranking Member as well. I have enjoyed working with both of you, and I look forward to continuing to work with this great Committee. You have many reasons to be proud of this farm bill.

[The prepared statement of Mr. Vilsack follows:]

PREPARED STATEMENT OF HON. THOMAS "TOM" J. VILSACK, SECRETARY, U.S.
DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Thank you, Mr. Chairman, and Members of the Committee, for the chance to present to you on the important opportunity provided in Section 4022 of the Agricultural Act of 2014, relating to state pilot projects to reduce dependency and increase work effort under the Supplemental Nutrition Assistance Program (SNAP).

Public debate about the issue of work and its relationship to Federal assistance can be contentious, with strongly-held and widely divergent viewpoints. But there is much we can agree on. I believe we would all agree that working can make a huge difference to people—meaningful work with meaningful pay has a positive impact on individuals, their families, their communities. We want to provide a safety net so that those who are in tough economic circumstances are able to put food on the table; at the same time, we also want to help people move towards self-sufficiency the right way—by helping them to secure and maintain jobs that pay well. These pilot projects offer us the chance to partner with states to develop and test strategies to help SNAP participants find jobs and increase their earnings.

On August 25, 2014, I announced \$200 million for up to ten, 3 year SNAP employment and training pilot projects, along with a rigorous independent evaluation of those projects. We at USDA see the pilots, which were authorized and funded under the new farm bill, as an important step in building on our current work helping to move people towards self-sufficiency through gainful employment. Towards that end, we are looking for a robust set of proposals from states that test a wide range of strategies, including targeting individuals with low-skills and major barriers, participants who are currently working in low-wage or part time jobs, and able-bodied adults without dependents (ABAWDs). As a whole, we intend to test pilots in both urban and rural settings, test a variety of approaches such as education, rehabilitative services, and rapid attachment to work, as well as both mandatory and voluntary participation in E&T activities. We want to test approaches that have shown promise with other populations, such as work-based learning strategies like pre-apprenticeship programs that lead to Registered Apprenticeship programs, and career pathway systems that include accelerated learning. We are also interested in testing programs that integrate basic education with on-the-job training. Importantly, we expect to see collaboration within state governments—human services agencies, workforce development agencies, and economic development agencies, working together as part of this effort. These partnerships will be critical to connecting participants and training programs with in-demand jobs and careers. To help connect SNAP participants with and prepare them for available employment opportunities,

we also incorporated elements of the job-driven checklist-laid out in Vice President Biden's "Ready to Work" job-driven training report—into the selection criteria.

A critical component of these pilots will be to rigorously evaluate the effectiveness of various practices, which will inform program implementation across the country. We hope to find and evaluate strategies that work in rural communities, as well as in urban settings. We need to know which populations may respond to lighter-touch interventions, compared to those who may require more extensive services to be successful. In short—we need to know what works, how it works, who it works for, where it works—we need to know the results of these projects so that we can use this knowledge to better support work through SNAP Employment & Training programs across the country.

This is an exciting opportunity, but these pilots are just one tool. I would like to take a moment to talk about the existing, core SNAP Employment and Training Program and my commitment to helping states improve and enhance SNAP E&T programs in order to respond to the needs of SNAP participants, in part by considering the needs of employers. SNAP participants are an extremely diverse group, and so, a diversity of approaches is needed. Most SNAP participants who can work already do work, but may need additional skills or experience to help them get or keep good jobs. Others were recently employed, but have lost their jobs—they may need help to get back on their feet. Still others have been out of the workforce for a number of years—these people tend to face the most significant barriers to employment, including low educational attainment, homelessness, substance abuse issues, and mental health concerns. Some are veterans, looking for employment now that they have returned home from serving their country.

As you may know, with the exception of exempt populations including children, the elderly, individuals with disabilities, and individuals caring for young children, all SNAP recipients are subject to work requirements such as registering for work, taking a job if offered, not quitting a job without good cause, and participating in an E&T program component if mandated by the state. While USDA provides \$90 million in 100 percent Federal funds to states annually, and also reimburses states 50 percent for additional spending on E&T activities, some states do not spend their full allocation, and five states draw down the bulk of the 50/50 funding. I have made the use of these funds a priority, and have urged state agencies to join me in identifying ways to leverage resources in order to more effectively connect SNAP participants with employment opportunities.

USDA has also engaged actively with Federal partners such as the Department of Labor, Department of Education, Department of Housing and Urban Development, Department of Commerce, Department of Health and Human Services, and others to learn from them and identify opportunities to work across programs and agencies towards our mutual goal of helping Americans find jobs and increase their earnings. And, we have recently elevated our commitment to this important component of SNAP by establishing an Office of Employment and Training, building our expertise in the area of workforce strategies, and working with partners to better integrate and align programs and services provided by state and local workforce investment boards.

Finally, we are clear that in this area, there is no room for failure. As we are all aware, able-bodied adults without dependents (ABAWDs) are subject to time limits on participation—3 months of eligibility for SNAP benefits in a 36 month time period—if they are not working or participating in an E&T program at least 20 hours a week. These individuals can be a challenging population to serve. Providing effective services to this population is most critical.

I am passionate about the opportunity to improve people's lives by connecting SNAP participants with the resources and opportunities they need to build better futures for their families.

I appreciate the opportunity to appear before you today, and I look forward to any questions you may have.

The CHAIRMAN. Thank you, Secretary Vilsack. The chair would like to remind the Members that they will be recognized for questioning in the order of seniority for Members who were present at the start of the hearing. After that, the Members will be recognized in the order of their arrival, and I, as always, appreciate the Members' understanding.

With that, Mr. Secretary, I would like to start by once again noting that I appreciate the efforts of the Department in implementing it on your behalf, too. As you mentioned in your testimony, these

pilots required extensive engagement with Federal partners to adequately prepare for the pilots, and I would like to focus on the pilot selection process and how you intend to fulfill the statutory requirements for providing a range of pilot projects.

The statute says that the pilot projects, when considered as a group, test a range of strategies including strategies that target individuals with low skills or limited work experience; individuals subject to the requirements under Section 6(o) [of the Food and Nutrition Act], and individuals who are working; are located in a range of geographic areas and states including rural and urban areas; emphasize education and training; rehabilitative services for individuals with barriers to employment; rapid attachment to employment; mixed strategies and test programs that assign work recipients to mandatory and voluntary participation in employment and training activities.

Does the scoring methodology you have proposed in your RFA support the idea that a true range of projects will be approved?

Secretary VILSACK. Mr. Chairman, absolutely. We are looking for a broad range of ways and strategies to address this issue. Job search, job search training, workfare, work experience, basic skills, vocational education, self-employment training, job retention, looking at data collection, evaluation, collaboration with partners. We are anxious to use this program to indeed identify best practices because there are just a handful of states that are doing this well today. We need all 50 states to do it well, and we need to recognize that there are different challenges for different groups of people.

So clearly, the scoring system, the evaluation, will be designed to provide as much diversity as we possibly can because we need as many good ideas as we can get.

The CHAIRMAN. I always loathe to ask what-if questions, Secretary, but what if the applications are concentrated among a certain type or particular type? Will there be the capacity to go back and reflect on that?

Secretary VILSACK. I think that is why we have the pre-application process to sort of make sure that folks are taking this seriously. It is also why we have a strong evaluation component to this, Mr. Chairman. We are going to be looking at this periodically throughout the course of the 2 to 3 year period that these test pilots will be working to make sure that people are doing what they said they were going to do and making sure that they are actually fulfilling the plan that they outlined.

So the expectation is there is going to be great interest in this from the discussions I have had with governors. The expectation is that folks will create a wide, diverse set of practices and programs, and then there will be a strong evaluation and oversight effort, and if you are not doing what you need to do, we will pull the plug on the pilot or we will encourage folks to step up their game.

The reality is that today we simply aren't doing the job we need to do, and states are few—a handful of states are doing this very well, as I said earlier, but there needs to be an aggressive effort in all 50 states. And if there is, you will see numbers come down in SNAP.

The CHAIRMAN. I thank the Secretary. You have just answered my final question. What will we do if there is not a proper mix, and

you have indicated very clearly that is the case. I have great faith in the amazing laboratories that are the States of this Union, and of the ten that will be ultimately selected, I just have great expectations for what they will accomplish. But that was the spirit, to think outside the box, to help people and help them for real.

With that, I yield back the balance of my time and turn to the gentleman from Minnesota for 5 minutes for his questions.

Mr. PETERSON. Thank you, Mr. Chairman. In your written testimony you refer to rehabilitative services and rapid attachment to work. Could you explain what they mean?

Secretary VILSACK. Well, there are a number of different strategies because there is not a single classification or way that you can describe a SNAP recipient. There are so many different segments of SNAP. There are people who have not had a job for an extended period of time, and so it may be necessary for us to work with them to provide the basic skills that will allow them to be successful from day one.

There may be people who have been recently unemployed, but because of where they are or the circumstances in their life, it has been difficult for them to find work. But they are work-ready. We are in a position to work with them to maybe improve their job search skills, to be able to hone down to find where the best mix might be and the best fit might be. That is a process that we hope to be able to encourage through these pilots.

So it really is on an individual-by-individual basis, which is why it is important for this program to be as diverse and as creative as possible. There are folks with some disabilities that are still—have great potential. We want to help those folks as well. Whoever is in a position to work, we want to be able to try to link them up with the work that is out there, and we want them to be successful, Congressman. It doesn't do much good if we get somebody a job and 2 weeks into the job it just doesn't work for them or they are just not ready for it, they don't have the skills. We want to make sure this is a success for the individual and for the program.

So we are going to try to cast the net pretty wide here and really encourage folks to be creative. I have three governor calls today in three states that we think ought to be engaged in this, and we will be making governor calls throughout the next couple of weeks because I want governors to understand, this is a real opportunity.

Mr. PETERSON. Why do some states offer voluntary E&T and others mandatory?

Secretary VILSACK. Well, the sad reality here is until Congress put the spotlight on this effort, states really have not done, except for a handful of states, have not done as good a job as they need to do. In fact, we have, as you know, 100 percent federally funded programs. But \$17 million of that Federal resource is not being spent. We need to put more focus on states that are getting the 100 percent grant to actually use it.

Of the states that—and every state understands I think that there is a 50 percent match, but only a handful of states even use that program. But yet, we have spent several hundred million dollars a year on this program. We are just not getting as much as we should for the money that we are spending.

So it may depend on making sure the governors are fully aware of the existence of these programs. It may be that we do a better job of aggressively promoting this program and requiring states to step up. Frankly, we haven't done as good a job on that as we should, but this effort allows me now to really put a focus on this, and I can tell you that our team understands and appreciates this is a personal focus of mine. This is why I am here today to testify and to reinforce the fact that this is at the Secretary level. This is something that I am very, very interested in. I have actually looked at the application, the pre-application process. I have been working with staff in making sure that we cast a wide net on this.

Mr. PETERSON. So, the 100 percent funding, that comes with a certain set of rules and so forth and you have to follow that—Secretary VILSACK. Right.

Mr. PETERSON.—and if you go to 50/50, then you would have more flexibility?

Secretary VILSACK. A little bit more flexibility, part of what we are going to do with these pilots, obviously, is whatever the rules are, they have to be followed. But there is a bit more flexibility with this pilot than there is with the normal program which is what we will try to sell or market to our friends in state government.

Mr. PETERSON. And there is a handful of states that use the 50/50 significantly but a lot of states don't use it at all.

Secretary VILSACK. The largest users are New York, California, New Jersey, Illinois, and Washington. And Kevin Concannon, the Under Secretary, has actually traveled around the country to various facilities. I have been to facilities as well to see the kind of work that they are doing. Now, some facilities do a great job, and others just frankly don't. I think that is the great thing about this pilot. It really gives us an opportunity to sort of redesign this program so it is more effective than it has been.

Mr. PETERSON. All right. Thank you, Mr. Secretary, and I yield back.

The CHAIRMAN. The gentleman yields back. The chair now recognizes the gentleman from Virginia, Mr. Goodlatte, for 5 minutes.

Mr. GOODLATTE. Well, thank you, Mr. Chairman. Mr. Secretary, welcome, and I will second or third the remarks of the Ranking Member and the Secretary regarding your leadership, Mr. Chairman. I had the honor being the Ranking Member with Mr. Peterson as Chairman during the last farm bill, and I know how contentious these are. But in the end, we reached agreement and not only passed the farm bill but passed a farm bill that withstood a Presidential veto. And so this one was also contentious and took a long time to come together. But I do think it moved in the right direction toward more free markets, and I was pleased to vote for it. Mr. Secretary, I appreciate your work in that regard as well.

With regard to these pilot programs, this is an issue that this Committee has been dealing with for a couple of decades at least. In addition to block-granting the TANF Program, Temporary Assistance for Needy Families, to the states, the Personal Responsibility and Work Opportunity Act of 1996 added work requirements for adults without dependents. States may apply to the Department to waive this requirement. I believe you stated in your testi-

mony that there are now more than five million people who are able-bodied adults without dependents who are receiving food stamps. You also stated that about 31 percent of the people on food stamps have some form of employment. Can you bring those two together? Do you know how many of the five million able-bodied have some work as opposed to are not working?

Secretary VILSACK. Well, Congressman, the requirements are that if you are able-bodied without dependents, then you are required to commit yourself to either working or receiving some sort of formal education or training to get work. And if you do not, then your benefits are limited to 3 months of benefits every 36 months.

Now, states have some flexibility with reference to that.

Mr. GOODLATTE. I have several questions.

Secretary VILSACK. Okay.

Mr. GOODLATTE. Do you know how many of the five million are—

Secretary VILSACK. Well, 31 percent of all households have earnings. And so—

Mr. GOODLATTE. Let me just move on to my point here. Has it been the practice of the U.S. Department of Agriculture to encourage states to apply for a waiver of the work requirement and if so, why?

Secretary VILSACK. Well, I don't think it has been the practice of us to encourage states. I think we basically make sure they are aware of that situation, and depending upon the economic circumstances in their state, they may decide to utilize the waiver because unemployment is high in the state or unemployment is high in a particular area of the state.

Mr. GOODLATTE. Okay, the language that was accepted in the farm bill, and I am paraphrasing, stated that one of the strategies of pilot programs is to emphasize education and training and rehabilitative services for individuals with barriers to employment for "rapid attachment to employment." The goal of this Congress was to increase actual employment. Can you assure us that the USDA will pick projects with that goal intended to increase actual employment?

Secretary VILSACK. Yes.

Mr. GOODLATTE. And will workfare requirements which you mentioned again in your remarks as one of the options be treated with favor by the Department?

Secretary VILSACK. That is the reason why we put it in the application. We are encouraging applications to promote that. Obviously, it depends on what the states submit, Congressman. But there are no preconceived notions about what is in or out. We want to make sure we get the best possible ideas and the best practices can be identified.

Mr. GOODLATTE. If states wish to collaborate with one another and propose one single application containing multiple sites and interventions across certain states and sub-state areas, would the USDA consider multi-state applications?

Secretary VILSACK. I don't know of a reason why we wouldn't. We are always looking for creative and new ways to do things, and we have encouraged that kind of original approach in a lot of other farm bill programs, including our conservation programs.

Mr. GOODLATTE. And recently this Committee heard testimony from Ms. Squier who is the New Mexico Secretary of Human Services. She testified that the amount of Federal income taxes needed to pay food stamps for 1 year is \$1,300 on average per income-paying household with each taxpaying household buying almost 5 months of groceries for their families. This is unsustainable.

In addition to these pilot projects, are there other initiatives that the USDA is taking or encouraging the states to take that move exempt, able-bodied individuals to work?

Secretary VILSACK. Well, we actually are taking a look at the regular program that has not been utilized as effectively and are doing a better job of encouraging and stressing the need for states to be more engaged in the regular program. The fact that there are so few states that take advantage of this is a problem, and this pilot and this effort has allowed us to highlight that.

Mr. GOODLATTE. Thank you very much. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman yields back. The chair recognizes the gentleman from Georgia, Mr. David Scott, for 5 minutes.

Mr. DAVID SCOTT of Georgia. Thank you very much, Mr. Chairman, and welcome, Mr. Secretary. I must admit I am a little concerned as to the timing and why we are having this hearing at this time on this very important subject. Today is Wednesday, September 17. The applications for the pilot program were just released August 25, 3 weeks ago. The question period regarding applications doesn't open until Friday. So you can understand that I think there is a question here as to why and what the purpose of this hearing is and the timing of it. So I just wanted to clear the air on that.

So in your opinion, Mr. Secretary, what if any information can you provide regarding the applications that have already been submitted by the states for the pilot program?

Secretary VILSACK. Well, Congressman, I am not sure that we have actually received applications. I can tell you that there is interest in this program because I have spoken personally to governors, and we are going to be conducting a webinar for those who have questions about precisely how to go about applying.

As I indicated in my opening remarks, we have the pre-application efforts coming up next week and then the full applications are due in November. And then we will take a couple of months to really review them and evaluate them and make awards in February.

Mr. DAVID SCOTT of Georgia. So at this point, no state has submitted application?

Secretary VILSACK. I may be wrong about that, but I am not aware of any.

Mr. DAVID SCOTT of Georgia. Okay. Just for the record, could you qualify or define exactly what—because the apex of this whole pilot program is what is referred to as *able-bodied adult without dependents*, how do you define that?

Secretary VILSACK. Well, this is an individual who is capable of working and has no significant barrier as a result of age or physical condition that would make it impossible or difficult for them to work, that obviously doesn't have dependents. The reality is that there are people who have been unemployed for an extended period

of time. There are people who have been recently unemployed, and both of those fall into that category. And there are folks who have been dealing with a variety of issues that can be overcome, and they can become employable. So we want to work with everyone.

I think the bottom line is the vast majority of people would prefer to have a job and prefer to be on their own than necessarily taking assistance from the government, but it is a good thing we have it for folks who do need it.

Mr. DAVID SCOTT of Georgia. Absolutely, and I certainly agree with you. Most recipients certainly want to have a job.

And the other reason I ask that is because the fastest-growing group of those who are going on food stamps are our veterans, and there are a large number of reasons for that, considerations of PTSD. One may look and act normal, but they are enduring certain injuries. So I am very concerned about making sure we have precision when it comes to the definition of what is an *able-bodied adult without dependents*.

Now, let me ask you, Mr. Secretary, are there rules for work registration in here? Who must register for work?

Secretary VILSACK. They are required to make themselves available unless there is a waiver in place or unless they are in an area that has been designated by the state as not being subject to these requirements.

Mr. DAVID SCOTT of Georgia. Okay. And where and how do they register and how is this information getting out to them?

Secretary VILSACK. Where they register varies from state to state, Congressman. I suspect that some are required to register at Human Service offices, and some are required to register in Workforce Development offices. But we can provide you a list of those and a more specific and definitive answer on that for your state or for any state that you are interested in.

Mr. DAVID SCOTT of Georgia. Right. That would be very important. And you are aware that, of course, the key to this is the partnership with the states, and a variety of states each have different, shall we say, attitudes about the program. The United States Department of Agriculture is the oversight agency on this. Is this correct?

Secretary VILSACK. We have the responsibility, yes.

Mr. DAVID SCOTT of Georgia. And will there be a standard that all of these states must hold? Because some are voluntary, some are mandated, and as you know, there are certain states who have a more draconian approach to this issue than others. What are the safeguards that are in place with the Agriculture Department to ensure fairness and to ensure that this program is not abused or misused, or used in a way that is unfairly negative to persons who unfortunately have to have food stamps?

The CHAIRMAN. The gentleman's time has expired, but the Secretary most assuredly can answer the question.

Secretary VILSACK. Well, I would say in the rules and the structure of the applications, Congressman, there are additional protections to ensure that these programs are not abused and misused. Bottom line, we want to work with states in a collaborative effort. We want to work with local governments in a collaborative effort.

We think there is an opportunity here to find best practices and to encourage better practices on the part of states.

You are absolutely correct when you say that there is a disparity of how this is viewed from state to state. That is obviously a concern, and it is frankly something that we need to do a better job of at USDA to ensure that states take this program seriously because it reflects on the entire SNAP effort, and we want to make sure that whatever reflects on it is a more positive reflection.

Mr. DAVID SCOTT of Georgia. Thank you, Mr. Secretary.

The CHAIRMAN. And I would take a moment to note to my colleague the issue concerning timing. It is my understanding that we potentially, when we go home this week, will have most likely have 2 weeks of session in November, 2 weeks in December, and it was the Chairman's view that considering the amount of debate and amendment and discussion in Committee and on the Floor, that these were important issues, just as you very effectively used your time asking those very relevant questions.

Now the chair recognizes the gentleman from Iowa, Mr. King, for 5 minutes.

Mr. KING. Thank you, Mr. Chairman. I would first like to welcome my fellow Iowan before the Committee here and thank you for your service to our country and the issues that are before us, Mr. Secretary.

I would like to start with kind of a big-picture analysis and slice this thing down to roughly start with this 316 million Americans and slice it down to the five million that are the subject before us here, and I would start with this. The number that I happen to have in my head that probably needs to be adjusted from 4 or 5 months ago that out of 316 million Americans according to the Bureau of Labor Statistics, there are about 104.1 million who are of working age that are simply not in the workforce. We have unemployed numbers roughly in the 12 million area that is included within that. The balance of that is 92 million that are categorized as not working, perhaps given up. Also some are retired, some are homemakers, some are in school, but that would be those 16 million and up.

We have a huge workforce out there that we are not tapping, and somewhere around 142 million is the score of the number of our workforce that we have.

I didn't hear in your testimony the number of those who are currently receiving SNAP benefits.

Secretary VILSACK. It is 46.2 million I believe.

Mr. KING. Okay, and it has gone down then a little over—not quite a million in the last year, year and a half, something like that?

Secretary VILSACK. Over the last 15 months it is a little bit more than a million less than it was 15 months ago.

Mr. KING. So I am encouraged by that trend. It has gone dramatically the other way in the previous several years. So I am encouraged by that. And in looking at the pilot programs that are there, first, I draw a blank. What is our unemployment—excuse me. What is the minimum wage in the United States today?

Secretary VILSACK. Well, I know what it should be, Congressman.

Mr. KING. I thought you might offer that. But I am curious about what it is.

Secretary VILSACK. Is it \$7.25.

Mr. KING. I will settle on that. I wasn't sure. We think that is right, but nobody is working for that that we know of, \$7.25 in that area. Is that a factor in these pilot programs if there are jobs that are offered at minimum wage? Is that a factor or is your Administration going to look at what you think the minimum wage should be rather than what the minimum wage is?

Secretary VILSACK. Well, it is clear, Congressman, that if we raise the minimum wage to \$10.10, we would have 3.6 million fewer people receiving SNAP. Now that is clear. But the purpose of this pilot is to advance the opportunities and to figure out precisely what the barriers are, what skill sets are required, what the job training efforts must be.

Mr. KING. But my question really is focused on is work at minimum wage or above, is that a goal or is the proposed minimum wage by the Administration going to be a benchmark that might restrain some further employment that you recruited by the pilot program?

Secretary VILSACK. It is a goal only in the sense that if there are people who have work, they could get better work and higher wages and therefore not need the program, we obviously want to encourage that as well.

Mr. KING. And so if a state has a pilot program that increases and brings people to work at minimum wage or someplace under the \$10.10 an hour, that wouldn't be—your policies would not be prejudiced against those jobs—

Secretary VILSACK. No, because what—

Mr. KING.—are preferable regardless if they are minimum wage or above.

Secretary VILSACK. What we are trying to do is to put folks to work, and we are trying to match it with the demand that exists for workers. So it is not a situation where we want to train somebody for a job that doesn't exist or that isn't available. We want to make sure that folks are prepared for the jobs that are in the economy and are available.

Mr. KING. I like that, and it brings me to another curiosity that I have is that we are focusing these pilot programs within the states to be run by the states, and we are aware that there are states like North Dakota that are begging for employees to come up into that country and work in the oil fields and in all the businesses that have been spun off of the oil fields. Their unemployment rates are terrifically low. Iowa's have come up to where they are a little better than—well, significantly better than the rest of the nation.

What we have seen historically or when the Okies went to California, I might add, they went to the jobs. Is there anything in these pilot programs that would allow for a transition from state to state and encourage the relocation of employees? Because that seems to be a consistent barrier of people whose roots are down, and we seem to try to want to bring jobs to where people live rather than people to where the jobs are.

Secretary VILSACK. Well, I would say that a state or states could put together a proposal similar to that that would be considered. There is nothing prohibiting that or preventing that.

The bottom line here, Congressman, is we want folks to be as creative and innovative as possible because at the end of the day, we need to do a better job of this than we have been doing, and we need to identify programs and practices that work.

Mr. KING. And I would encourage you to encourage that. I think that is one of the barriers we have to employment in this country is a resistance to relocation. If that could be part of this, that would cause me to have an even more optimistic view about these pilot projects. I thank you for your testimony, Mr. Secretary, and I yield, Mr. Chairman, Okie, the balance of my time.

The CHAIRMAN. And I thank the gentleman from Iowa, and yes, yielding me those 9 seconds back, the way my Okie ancestors probably felt sometimes.

That said, we now turn to a gentleman who understands this very well, the gentleman from California, Mr. Costa, for 5 minutes.

Mr. COSTA. Thank you very much, Mr. Chairman. I, too, want to add my congratulations and thanks for your hard work on the farm bill and many other efforts that all of us on the Agriculture Committee have engaged in with you in making some successes happen for agriculture across America. Mr. Secretary, I want to commend you as well for your good efforts.

Quick question and then I want to talk about the focus of the food stamp programs. Mr. Secretary, a number of my constituents are concerned about the review process and the awards grants provided through the Specialty Crop Research Initiative which is the panoply of many diverse crops we grow in California and around the country. Would you and your staff follow up with mine to discuss the review process for awards, specifically on the vineyard management proposals?

Secretary VILSACK. Sure.

Mr. COSTA. Thank you very much. Mr. Chairman and Members, it has been mentioned by the Secretary in his testimony, the major goal of the Supplemental Nutrition Assistance Program, which we refer to as SNAP, is to help people move forward and to become self-sufficient by helping them secure and maintain jobs. Obviously, that is the goal we all embrace. And I want to specifically note a program in my district which I have previously briefed the Food and Nutrition Services' Under Secretary Concannon who is doing a good job, called the Fresno Bridge Academy. My friend, Pete Weber, and his partners have used imagination and creativity to really think out of the box, and that is where these pilot programs come into play. It is a unique program that is producing excellent results. Let me give you an example.

In the most recent graduating class, 77 percent of the participating SNAP clients came in unemployed. The remaining were underemployed. Eighteen months later, 83 percent of the clients had obtained employment or job advancement, and 32 percent had achieved complete self-sufficiency and reliance. Those are good numbers in the right direction, I believe.

These pilot programs launched by the USDA will help tremendously the percentage of people enrolled in programs throughout

the country like this Bridge Academy in Fresno. But I am sure that many of my colleagues are wondering, well, what is the cost in achieving these results? The Bridge Academy, as an example, developed along with Fresno County Department of Social Services, has a cost-benefit model that helps monetize and evaluate the results of this program. They found that for every Federal tax dollar used, there was a \$5.50 return to the taxpayer in the form of reduced outlays for food stamps, plus income taxes paid by people who were tax users rather than taxpayers.

So my question, Mr. Secretary, is has the Food and Nutrition Services developed a cost-benefit minded application model across the country for these pilot projects?

Secretary VILSACK. I don't know that we have specifically crafted that type of return on investment, but it certainly could be part of the overall evaluation process.

Mr. COSTA. Good. Well, I would be interested in looking to see if we could work together in a collaborative fashion to maybe use this model as a way to try to do what many of us here believe we ought to be doing.

Secretary VILSACK. I am hopeful in the evaluation process that we actually have diversity, a bit of diversity, in the evaluators as well so that we have a cross-section of good ideas in terms of how best to evaluate these programs.

Mr. COSTA. You are talking about calling the governors. How do we get this imagination and creativity that has been expressed in my area in Fresno expanded around the country?

Secretary VILSACK. Well, I think that is what this whole point is, this whole effort is about. It is about identifying best practices and making sure that governors are personally engaged in and aware of this opportunity. That is why I am calling my former colleagues to say, "Hey, this program is out there and you ought to be focused on this."

Mr. COSTA. I want to segue to another question area. As part of the 2014 Farm Bill, which you are doing a good job in implementing, we have the conservation compliance requirements that were transferred from direct payments on any farming operation that may be receiving a crop insurance subsidy. As you know from your many visits to our great State of California and our diverse agriculture that involves a lot of the fruits and nuts and wonderful specialty crops—I passed some of them out to Members of the Committee a moment ago—that we are starting to hear concerns from growers throughout California over the new farm bill requirements linking the crop insurance participation to conservation requirements.

Mr. Secretary, how do we work through this in the Department to ensure that we figure this out?

Secretary VILSACK. Well, we first want to make sure that every producer knows that they have a responsibility by June of 2015 to file the AD-1026 Form. Some of the producers that you have mentioned may not have been used to filing such a form, but they are absolutely required to do so under the farm bill. And the reason for it is that we are continuing to expand crop insurance availability to specialty crop producers, and if they fail to do this by June of 2015, they won't be able to get the assistance from the government

in terms of the subsidies on the premiums, and they won't be able to get the coverage that they would like to be able to get.

So first and foremost, it is about making sure that folks comply with that mandatory requirement under the farm bill and making sure people are aware of it.

Mr. COSTA. Thank you very much. My time has expired. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired.

Secretary VILSACK. Mr. Chairman, can I just mention that the only goodies that I received were the Oklahoma peanuts which I appreciate. I didn't get any of those specialty crops—

The CHAIRMAN. You are a lucky man, Mr. Secretary. You are a lucky man.

I now recognize the gentleman from Texas, Mr. Neugebauer, for 5 minutes.

Mr. NEUGEBAUER. Thank you, Mr. Chairman, and thank you for holding this important hearing. And Secretary Vilsack, thank you again for coming today.

You know, in reading through your testimony, you talked about that the USDA's request—you mentioned types of proposals that you are interested in from states and different types of approaches, and one of the things that you mentioned in there that has shown promise with other populations. Certainly, we need to be searching out for existing models that other states may want to implement or try. But one of the things that I would hope that you built into the process, and I would be interested in hearing your reflection on that and how you might implement that, is we also want to make sure that we create an opportunity for some new ideas and new innovation of ways to do that because obviously, we have a lot of people on food stamps. And some of the methods that we have been using to get people out of poverty have not been working. I think food stamps are just an indication. It is a good indicator for that, and unfortunately, it is an indicator that says there is a problem out there when we have one in five Americans currently on food stamps in this country.

So in the process, how have you built in to make sure that you not only look for things that are working now but encourage people to come up with new innovation?

Secretary VILSACK. Well, I have a couple of things. First of all, we are encouraging more collaboration and more partnerships. We think that there is a need for more partners to be engaged in this who have creative ideas and new ideas. We also are indicating a desire to work with different groups of individuals. There may be individuals who have barriers. We want case management opportunities to be presented for those types of individuals. There may be circumstances where we want our partners to identify jobs that are in demand and how we get the people that are on SNAP into those jobs that are in demand, what skills are required, what education is required, what training is required.

I think we have set this up with enough flexibility and encouragement for people to be creative, and also as I talk to governors explaining to them that what we have been doing is not working as effectively as it should. In some cases it is because people aren't

taking advantage of the programs. In some cases, people aren't paying attention to the programs.

I think the combination of outreach, the webinars, and the way in which we have structured this pilot we hope and believe will result in a diversity of ideas, new ideas, creative ideas, and innovative ideas. That is the goal.

Mr. NEUGEBAUER. Well, I appreciate that, and not only you have ten slots there, and I would hope that you reserve a slot or two for some really out-of-the-box kind of thinking so that we make sure.

I guess one of the other questions is that you have mentioned—and I appreciate this—that you are taking this at the Secretary level and you have been reaching out personally to some of the governors. What is your initial response? Is there interest in this from the governors that you have spoken to?

Secretary VILSACK. There is, but the initial response candidly is, "Well, I didn't know there was such a program. I need to check." Or we will say, "Did you know that you haven't spent all the resource that you have available?" That always gets a governor's attention from prior experience.

I think that these calls are effective, and it certainly underscores their need to be involved. At the end of the day, this will not work unless it is perceived in the states that this is a priority at the highest level. This can't just be the Director of Human Services' concern or the Director of Workforce Development. They really have to hear from the governor that, "You know what, we need to do a better job of this." And if they do, then I am very, very confident we are going to do a better job.

Mr. NEUGEBAUER. Thank you. Mr. Secretary, one last thing. I wouldn't be doing my job if I didn't mention to you how important that those APH adjustments are to people in my part of the world. It has been several years of drought here, and that was called for in the farm bill to be implemented by the spring of 2015, and that is an indication that you are not going to be able to meet that. I think several of us have reached out to you and seeing if there are ways to implement portions of that in those areas that have had problems in the past that—but anyway, I certainly would encourage you to continue to work in that direction.

Secretary VILSACK. Congressman, we obviously have received not only your directive but also the Chairman's directive and others, and we recognize this. This is a challenge for us, as you know. We have looked at the idea of trying to parcel out certain sections of the country. The problem in addition to the staffing issues that we have addressed is that it could potentially create a significant problem in terms of inequality, inequity, and premium increases that are not necessarily warranted. So it is a complicated issue. We will do our best.

The CHAIRMAN. The gentleman yields back. Thank you for noting my interest, too, Mr. Secretary.

The chair now turns to the gentlelady from Ohio for 5 minutes.

Ms. FUDGE. Thank you very much, Mr. Chairman, and Mr. Chairman, I too would like to say that certainly I appreciate your leadership but more importantly your friendship. It has been a privilege and a pleasure to serve with you, especially during the

time of the farm bill, so I thank you. And we will miss your leadership.

Mr. Secretary, thank you so much for being here. We all know that the SNAP program works. We know that fraud, which is certainly a concern of my colleagues in particular is at its lowest in the history of this country. We know that the numbers of people on SNAP are going down as we expected they would. So I am only going to ask you two questions, and I am going to give you the rest of the time to address anything you still need to address.

The first one is that as I look at my own district, there are over 33,000 families that receive SNAP, but over 67 percent of them over the last 12 months have had one or more workers in their household. So it is not that they don't work. But the question is what impact do you believe the emphasis on work-based learning opportunities outlined in the August 25 Request for Applications will have on the success of the pilots that we have been discussing today? And second, in what ways can work pilots supplement the economic stimulus that SNAP already provides to this nation?

Secretary VILSACK. Well, Congresswoman, what we hope is to be able to identify strategies to get folks who are currently employed better working opportunities by looking at that demand-driven approach. What are the demands for jobs out there and how can we link people up and make sure they have the skills to be successful?

It is not surprising that the percentages you have outlined are what they are in your district. The reality is that of those who are capable of working, 80 percent of SNAP beneficiaries have either worked just prior to needing SNAP or after they leave SNAP are employed. So I mean, people do want to work, and so the question is why aren't they working? And in some cases it may be they are not aware of how to go about looking for those jobs. In some cases it may be that there is a transportation barrier, there is some other barrier, a basic skills barrier. Let us figure that out.

In some cases, it may be that this person has a skill, and if we added just a bit more to that skill with an apprenticeship or pre-apprenticeship program, they would be able to do a job that is a significantly higher paying job than the job that they have.

So the bottom line to all this is getting more people to work who want to work and getting people better-paying jobs who already have jobs. And if you do that, you are going to see a decline in the need for SNAP. And that is, in our view, the right way to go about doing it.

Ms. FUDGE. Thank you. I have no more questions for you. If there is a question that was asked that you need to respond to or something else you would like to say to the Committee, please feel free.

Secretary VILSACK. I feel compelled to note for the record that Mr. Costa did provide walnuts and pistachios to go.

The CHAIRMAN. Californians are always trying to catch up.

Ms. FUDGE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentlelady yields back. I now turn to the gentleman from the State of Texas, Mr. Conaway, for 5 minutes.

Mr. CONAWAY. Thank you, Mr. Chairman. I appreciate that, resemblance of those remarks. I, too, want to brag on you for the great work you have done. I would use that tired phrase, you must

have big shoes to be filled, but that would apply in any case, whether you have done a good job or not. But you have done a great job and——

The CHAIRMAN. And hopefully I won't leave anybody a case of political athlete's foot, I promise.

Mr. CONAWAY. Mr. Secretary, I thank you for being here. The laws require that you have this process started within 180 days that I would neglect if I didn't mention that a bit late on that, getting that some 200 days from when this process started.

Do you anticipate any other delays in the timelines that you have laid out at this point?

Secretary VILSACK. I don't, Representative. I would say that our team, if you take a look at the totality of the work that we have been doing on the farm bill, has done a good job of implementation. There may be a little slippage here or there, but we have done a lot of work in a short period of time. And what folks don't realize is a lot of this work funnels into the General Counsel's office and the Office of Budget and Program Analysis, and the same people are having to do the conservation stuff, the foundation stuff, the ARC-PLC stuff, *et cetera*. But we have a timeline, and we are going to—I guarantee you the awards are going to be made in February.

Mr. CONAWAY. All right. Well, I was going to brag on you about the cost-benefit analysis sections of the proposals, but you weren't real clear that those were in there. But they are in there, and I appreciate those being a part of the process of evaluating these proposals.

Looking at the existing programs, you say we have \$83 million we spend each year. That means there is \$17 million of it that is unspent. Have you surveyed the states that don't apply to find out why they are not applying for the money? Is it if you look at this Request for Applications, those 30+ odd pages, is it just too hard to get into the program for a lot of states? Is that what——

Secretary VILSACK. I don't think that is what it is, Congressman. I think it is a lack of understanding and a lack of prioritization.

Mr. CONAWAY. Okay.

Secretary VILSACK. It is not a criticism. There is a lot going on in a state and a lot going on in an economy. This may not rise to the level of priority, but with this pilot, what you have done is you have created a spotlight that I think will enhance and encourage more folks——

Mr. CONAWAY. All right. So this would be on top of that existing 100. We didn't supplant that. The 100 percent match money is still there as well as this new money.

Secretary VILSACK. We need to do a better job on both the 100 percent and the 50 percent match, no question about that.

Mr. CONAWAY. Yes. On the 100 percent, is there a matrix-created success? In other words, how many people find jobs? How many people come off of SNAP as directly related to the programs that are there?

Secretary VILSACK. Well, that is certainly the goal, and we will be happy to give you the——

Mr. CONAWAY. On the——

Secretary VILSACK.—details of that.

Mr. CONAWAY. Yes. On the five million that you mentioned, I assume you don't have it off the top of your tongue. I don't expect that. But do you have that categorized by state?

Secretary VILSACK. I think it probably is.

Mr. CONAWAY. Then we would be able to tell which of those states have exercised the waiver on the work requirement for able-bodied adults under—

Secretary VILSACK. Well, 43 states have exercised that waiver. So it is probably—

Mr. CONAWAY. I know, but I would be interested if you could to give us the data that shows is there a disproportionate number of that five million in states that have exercised the waiver *versus* the seven states that haven't? That would be helpful if we could look at that.

How do I answer this question: Again, all politics is local, and I am blessed to represent a district where two major cities have an unemployment rate of three percent. There are "now hiring" signs everywhere. I also grew up in a family where my dad thought it was a lot more important that he had a job than where we lived. So if the rigs were running in Morgan, Texas, we lived in Morgan, Texas. And if the rigs were running in Odessa, Texas, we lived there. And so getting to Mr. King's comments, going to where there is a job seems to have a great deal of benefit. So how do I answer this question: I had a lady employer come to me, and she said she had additional hours in overtime for her team to work. She offered it to her team. They said yes, and then within a day or so they came back to her and said we can't work those extra hours because it would have a negative effect on our benefits. How do I answer that employer as to why she can't—why those folks would not be willing to work the extra hours because it caused them to cross some artificial threshold?

Secretary VILSACK. Well, Congressman, I would be a little bit concerned about answering that question because I don't really know the personal circumstances of those workers. I don't know in terms of benefits of what they are specifically talking about. I don't know what their family situation is. I don't know what their childcare cost—

Mr. CONAWAY. That is fair. That is fair, but if we put in these pilot programs, how are you going to address that issue that you get them off the benefits but they go into a job that makes \$12 an hour?

Secretary VILSACK. Well, I think there are a significant number of folks who are looking for work and we can do a better job of finding them that opportunity, and I am very confident that they will take that opportunity.

Mr. CONAWAY. My time is almost expired. I am pleased that this is a state best effort because it is not quite frankly the Federal Government's responsibility to prosper for Midland, Texas. It is the folks in Midland, Texas' responsibility to prosper and create the kind of environment that has those jobs where people can go to work. So I appreciate that this state-based effort hopefully will show some promise because I am not real keen on the Federal successes, and maybe we will have a different approach.

So I yield back. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired. The chair recognizes the gentlelady from Washington State, for 5 minutes.

Ms. DELBENE. Thank you, Mr. Chairman, and thank you as well for your leadership of this Committee. We really appreciate it. And thank you, Secretary Vilsack, for being with us today, and thank you and your team for all the work that you have done so far on implementing this program.

Before I get started, I have to say that I think it is a little odd that we are having this hearing right now before we have a lot of information just a few weeks after the request for applications went out. When we have more information, then you have information on the types of applications you have received, *et cetera*. I think it will be an important conversation, so I hope we will have a chance to have that conversation as well.

That said, these pilots are extremely important. Back in May of last year I introduced the Enhancing Employment and Training Through Education Act, a 3 year, \$30 million competitive grant fund to encourage states to provide targeted employment and training programs. It was based on Washington State's Basic Food, Education, and Training Program, what we call BFET, which has been a highly successful program in our state, and that bill was included in the farm bill from the start. And we fought very hard to increase funding for these pilots, and at the end of the conference committee, we have an expanded program, \$200 million, and up to ten pilot programs. So I am very excited about this.

Washington's BFET Program has proven to be very successful at helping low-income individuals get jobs. We have 11,000 people who have gotten jobs to date. During the height of the recession, 60 percent of Washington's BFET participants found jobs, and a recent analysis of our program found that fewer than 1/2 of those enrolled remained on government assistance 2 years after starting the program. So that is the kind of success I think that we are hoping will stem from these pilots and greater learning on what can be shared amongst all of us across the country to have successful programs.

Unlike most Federal job training programs that exist today, these pilots will provide targeted employment and training resources tailored to help low-income adults currently receiving SNAP benefits. Historically programs that serve SNAP participants have provided limited job search assistance and expansion of a Washington State style program will encourage states to administer programs with meaningful education and training opportunities, enable participants to obtain industry-recognized degrees and credentials that are definitely highly valued and help really determine long-term success. This is a smart way for us to invest now in education and training and career opportunities and save money as these workers transition off of SNAP.

So thank you very much for your work on this. Can states submit more than one application for the potential pilots?

Secretary VILSACK. I don't think there is any restriction on the number of applications that a state can submit. They might want to think about the strategy behind that in terms of being able to distinguish the characteristics of each application. But I don't think

there is a restriction, again, the more applications, the better. The more creative the ideas, the better.

Ms. DELBENE. Okay. Thank you. And to what degree do you think current state E&T programs will intermingle with these pilots or do you have any expectation around how that might work?

Secretary VILSACK. Well, I know that Kevin Concannon traveled out to Washington because of the success of your program, and he traveled to a number of other states. So I am very certain that characteristics of successful programs have been identified in the application process as criteria that folks should consider. So it did give us an opportunity to begin the process of educating people about what works. Now we obviously have to do a much better job of that.

You mentioned another issue which speaks to the notion of folks crossing borders and searching work. Oftentimes, states don't necessarily recognize the credentials from one state to another which may be an impediment and it may be something that this process might allow us to address a bit.

Ms. DELBENE. That was a great point. Thank you very much again for being here, and I yield back the remainder of my time, Mr. Chairman.

The CHAIRMAN. The gentlelady yields back. The chair now recognizes the gentleman from Georgia, Mr. Scott, for 5 minutes.

Mr. AUSTIN SCOTT of Georgia. Thank you, Mr. Chairman. Secretary Vilsack, as you know, with anything that we do, we have to balance access with integrity in any of our programs so the public will maintain support and not lose faith in them. And one of the issues as I am traveling my state that I continue to hear is the issue of drugs. And when I talk to employers, the number of people they have to let go because of failing a drug test, the number of people who come in and apply for a job who they cannot hire because they fail a drug test, is one of the primary concerns. And as I continue to talk to constituents, this is an issue that comes up over and over again.

My question for you is states who, in the application process, would prohibit somebody who lost their job because they failed a drug test or who did not obtain a job because they had failed a drug test. How will your Administration look upon that and the potential for drug testing for food stamp beneficiaries?

Secretary VILSACK. Well, we certainly—at this point in time, we don't require drug testing relative to the regular program. I would say that there is a recognition that there may be people who are in that able-bodied category that have substance abuse issues, and that may be the barrier that they have to being able to obtain or retain work. So the question would be whether or not states can come up with creative and thoughtful ways to deal with that barrier, to remove that barrier, so that person can be productive and no longer need food assistance.

Mr. AUSTIN SCOTT of Georgia. Let me be a little more clear about it. If in a state's application they said that we were not going to allow somebody who lost their job because they failed a drug test to receive Federal SNAP benefits, would the Secretary allow that as part of the application process?

Secretary VILSACK. You know, I am not sure why a state would do that because the purpose of this is to get people to work. It isn't necessarily to define how we ought to restrict this program for one reason or another. It is really designed to do two things: first, to get people jobs; and second, those who have jobs, to get them better-paying jobs. That would be a bit inconsistent with the purpose of the pilots to do that. And that may be a conversation that you and your colleagues have to have about the overall SNAP program. It is not something we would probably be supportive of, but I don't think it fits into the reason why we have these pilots. The pilots are really designed to find people work and find people better-paying jobs.

Mr. AUSTIN SCOTT of Georgia. Well, the problem that comes then is for the man and the woman that is getting up there every day and going to work and maybe working at those starting wages, working on the assembly line. It is pretty frustrating for them to see somebody who maybe loses their job or doesn't go to work because they fail a drug test, to see them getting benefits.

Secretary VILSACK. Well, Congressman, I guess we all have personal experiences that sort of shape how we think about these things. I think back to my mother's challenges with alcoholism and the pride that she took in ultimately overcoming her addiction and having employment. It would be a sad day if our country wasn't willing to give her a second chance.

Mr. AUSTIN SCOTT of Georgia. Mr. Secretary, with due respect, we are not talking about second chance here. We are talking about people who are making a choice in many cases to buy drugs instead of food. And it is one of the reasons that many American citizens have lost faith in this system. And so again, I mean, I am talking about protecting the integrity of the system, and quite honestly, I don't think that working people's tax dollars and their wages should be going to pay for SNAP benefits for people who are failing drug tests. I just hope that if a state says that somebody who loses their job because they failed a drug test should not be eligible for food stamps, that the agency would respect that decision by the leadership of the states.

With that said, Mr. Chairman, I will yield the remainder of my time.

The CHAIRMAN. The gentleman yields back the balance of his time. The chair now recognizes the gentlelady from California, and would note in spite of my earlier comments, few states have the relationship that Oklahoma and California have had over the last 85, 90 years. The gentlelady is recognized for 5 minutes.

Mrs. NEGRETE MCLEOD. Thank you, Mr. Chairman, and thank you for your leadership. Thank you, Mr. Secretary, for coming. I am not going to talk about a pilot program, but I am going to ask about the California Success Program, which partners with community colleges to execute training programs. It encountered some problems when USDA deemed that the program was supplanting rather than supplementing a program. Can you give California some state guidelines on how to modify a program so it does not run into statutory problems?

Secretary VILSACK. We would be happy to work with the state to try to find better alignment. You know, this is really about encouraging, not discouraging.

Mrs. NEGRETE MCLEOD. Yes, and we have some community colleges that had a program set up, and then they were deemed not being able to run.

I also have another question, but I will submit it to your staff so that they can answer me on that particular question. And again, thank you so much, and Mr. Chairman, I am going to cut it real short. I just want to thank you for allowing me to sit on this Committee and being a part of it. You know, this will be my one and only term here in Congress.

The CHAIRMAN. You will be missed. The gentlelady will be missed. Thank you very much. The gentlelady yields back. The chair now recognizes the gentleman from California, Mr. LaMalfa, for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman. It has been a real pleasure to work with you as Chairman on this Committee here. You are a person that seeks and finds solutions and brings people together and you are a great example we can all have around here. So I appreciate this time.

It is interesting in the comradery of this Committee here I have heard at least three complaints about why we are having a hearing today, and I am reminded that it is the job of the people's House to have oversight of the Federal agencies and departments that we appoint and deploy. And so any time we can have a hearing on how a program is being implemented or how it has come along to be implemented, it is a good thing to have that in front of the American people. And conversely, when you hear that maybe bills have moved to the Floor a little quickly and we didn't have a hearing about it, I just am kind of mystified as to how those two things oppose each other.

Anyway, so it is good we are doing this today and talking with the Secretary. I appreciate him attending here and updating us on how things are coming along. The SNAP program known as Supplemental Nutrition Assistance Program. I don't think it is supposed to be the be-all and end-all for all types of assistance for people. That is why the word *supplemental* is in there. But it is proper for us to fine tune and course correct on programs the government has started and implemented over the years. So in doing so on these pilots coming up, it is a very good thing that we have—we are looking at some refinements to work requirements.

If I may just offer them, Mr. Secretary, I would be remiss if I didn't at least mention it as a Californian with our drought situation here that your folks are working with our growers out there as well on implementing relief on that. So if I would just ask you to continue to keep an eye on that, things seem to be coming along pretty well at this time and also take a look over your shoulder at how Forest Service is doing here because the fires are just devastating in Northern California as well, Siskiyou County. A number of you had visited Trinity County next door not too long ago. It is devastating out there, and we need a lot of help. Let us get the Forest Service on track with managing those lands.

So that said, back to the topic here. I am curious. You know, we have seen in the long history of welfare reform that the Work First projects have far exceeded educational projects in terms of how promoting work and increasing earnings, both in the short and long term, that they work pretty well that way. The Department of Labor has even moved away from education and training-only models. Can we receive a commitment that you would also consider that Work First types of projects have been proven to be successful when selecting these applicants?

Secretary VILSACK. Well, Congressman, the pilots will allow work to count as an E&T activity, and that is different than the core E&T Program. Obviously we want to make sure there is adequate level of protection so that it is not abused or that individuals can't be unduly sanctioned for non-compliance, unless there is compelling evidence that they refused to comply. And in that case, obviously, that is a problem for them.

But yes, this is going to count as an E&T activity in this pilot.

Mr. LAMALFA. Okay. You know, I was kind of alluding to what Mr. Scott was saying a while ago. I think the American public that pays the bills expects to see that people that are able are seeking work and that work-oriented programs are at the forefront, just to keep the ball moving on unemployment and people understand the value of a job. So that is why I bring that up.

So appreciate it. I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman yields back the balance of his time. The chair now recognizes the gentleman from Oregon, Mr. Schrader, for 5 minutes.

Mr. SCHRADER. Thank you, Mr. Chairman. I appreciate it very much. It has been my privilege to serve on the Agriculture Committee with you, and one of the few bright lights in my Congressional career is working on the farm bill with you and the rest of the Members of the Committee. You truly couldn't tell a Republican Member from a Democratic Member, and I think that is due to your leadership and the Ranking Member. I appreciate it.

I would like to switch gears a little bit here, Mr. Secretary, since we are talking in general also about some of the other elements of the farm bill that did pass, and one of those was to have the Department of Agriculture consult with the Department of Labor in their use of what we call hot goods in dealing with some of our farmers, in particular, those dealing with perishable goods. As you know, hot goods legislation grew out of a depression-era program to give the Department of Labor the ability to deal with willful violations of Wage and Hour Law or Child Labor Law and allowed the Department of Labor to confiscate usually textiles or hard goods so that individuals, businessmen and women that were not following the law would be encouraged to pay the penalties and actually re-institute the wages for these people.

It has been expanded particularly in recent years to include perishable products, and as you may know, in Oregon a couple years ago, the Department of Labor swooped on to a couple of blueberry farms in my district in the State of Oregon and threatened and extorted money from blueberry growers saying that they were going to quarantine and confiscate this crop of perishable product unless they admitted guilt, paid penalties, paid fines up front for which

they are supposed to have due process. As a matter of fact, the conversation that I had with the Department of Labor in 2012, they indicated they don't do this until they have exhausted all other resources and the farmer has had an opportunity to make his or her case.

That was not done, however, by the regional representatives of the Department of Labor in Oregon. And as a result of that, we have reached out to you in your office to talk a little bit with the Department of Labor as they move forward in their use of hot goods. There have been two court cases that have said that the Department of Labor willfully violated the rights of these farmers. As a matter of fact, while they didn't judge the use of hot goods necessarily, the acts were so egregious, the two courts have said that the money should be returned to these farmers, and the Department of Labor to this day has not been able to find all these workers that supposedly were on these farms that did not get paid.

So to that extent, I am very interested in your comments about any conversations you have had with Secretary Perez or folks in your office about how to work together on the implementation so farmers have due process and workers get their due rights at the end of the day.

Secretary VILSACK. Congressman, personally I have not had a chance to visit with Secretary Perez specifically about that issue. We have actually been working collaboratively on this issue that we are here today to talk about which is the SNAP E&T Program, getting his thoughts and his team's thoughts about how we can structure this in terms of getting people lined up with the demand-driven jobs and pre-apprenticeship opportunities. But given the fact that you have raised it, I will be more than happy to reach out to him. I suspect our staffs have probably talked about it. Part of the challenge is there are a lot of areas where I have to visit with sister agencies of the agricultural economy about what is going on. Most recently the child labor issue was an issue that we talked a little bit about with the Department of Labor. We are conversing with them on this. We are making sure that they understand what a perishable commodity is and will continue to consult with them. But I will be happy to talk to Secretary Perez about your concerns.

Mr. SCHRADER. If you could, I would appreciate it. On the Horticulture Committee, Chairman Scott and I and the rest of the Committee, in a bipartisan fashion, are very concerned about misapplication of what was originally intended as a good tool in the toolbox and wanted to make sure that is not used in a way that denies Americans due process. So if you could get back to our Committee, I would certainly appreciate it.

With that, I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman yields back. The chair now recognizes the gentleman from Illinois, Mr. Davis, for 5 minutes. I assume we are about to start harvesting corn, correct, Mr. Davis?

Mr. DAVIS. Actually, some fields are already there.

The CHAIRMAN. I think a lot of people feel better already.

Mr. DAVIS. Yes, well, thank you, Mr. Chairman, for coming to the 13th District last week, and just north of where we were, they are already harvesting. How about Iowa, Mr. Secretary? They got any out of the field yet?

Secretary VILSACK. Well, honestly I am hoping they wait until we have enough rail cars to be able to ship it to where it needs to go.

Mr. DAVIS. Ironically I guess—

Secretary VILSACK. I don't think we are quite—we are close but not quite there yet. In talking to farmers, some beans are ready, but the corn is not quite where it needs to be.

Mr. DAVIS. Well, we have an opposite problem in central Illinois. The corn seems to be ready. The beans are a little behind. But I just left a T&I hearing ironically on rail reauthorization. This was passenger, though.

Secretary VILSACK. Did you get it done? Oh, no—

Mr. DAVIS. Yes. That is why I got—I came back here.

Secretary VILSACK. We may have to fill some of those cars with some corn on the way.

Mr. DAVIS. Hey, I don't want to reiterate some of the issues that are very important that I know we talked about today, and my issue that we talk about often when you are in front of this Committee has to do with the School Nutrition Program. And my invitation to you still stands to come to Illinois and visit with some of the districts that are having some concerns and some that have pulled out of the School Nutrition Program. And I also want to thank you because a representative of your agency is actually going to participate in our school lunch summit in Pana, Illinois, at the end of this month. So thank you, an invitation for you to come, too, if it fits would be on the table also.

Secretary VILSACK. Congressman, as part of that since you have raised it, you should make sure that those school districts that are challenged are aware of a program that we are putting together with the University of Mississippi to provide intensive help and assistance for districts, strategies, and mentoring and pairing and basically partnering them up with other communities that have successfully implemented this. So we are excited about this opportunity to reach out to school districts that are challenged and to try to figure out ways to make it a little bit better for them.

Mr. DAVIS. I would love to have some more information on the University of Mississippi—

Secretary VILSACK. We will get it to you.

Mr. DAVIS.—the consulting that they were able to do. I would love to send our school districts who are having problems with them. And it seems to be growing in Illinois on this issue. We just saw the second-largest school district that we have in the State of Illinois pull out of the School Nutrition Program. It is in Wheeling, Illinois, just north of Chicago in the Chicago suburbs where they are giving back upwards of \$900,000 a year because it is not profitable for them to be able to continue to participate.

Those are the issues that I want you to see on the ground and want to continue to work with your Administration, work with the USDA to find that flexibility and that sweet spot that we know is out there because we all have the same goals. We all want to make sure that the kids eat healthier. We all want to make sure that the kids actually eat and not waste the food, and some small flexibility within the program could be the answer. And that is what I want to work with your agency on and work with you personally on, Mr. Secretary. And that is what I came here to talk about today, and

I appreciate your willingness to be here. I appreciate your willingness to send somebody to address the issues in our district, and I also appreciate your willingness to work with institutions like the University of Mississippi to try and help schools that are hurting. But I also want to urge and counsel you and the Administration that it seems this issue has become somewhat of a demagoguing issue, more of a political issue, and that is not why I am interested. I am interested because I am a parent of three teenagers in public school. I am interested because my school administrators are the ones that are bringing this up as a problem. And I appreciate your willingness to be a participant in the debate, too.

And I don't have any particular question for you. I am happy to have any response that you may have and thank you again.

Secretary VILSACK. Well, Congressman, I certainly appreciate your heartfelt concern about this, and I know that there are some school districts, particularly in rural areas, that for a multitude of reasons are challenged, declining enrollments, declining state assistance. It does create a stress which is why we decided to put this opportunity with the University of Mississippi together. The theory behind this is that we will be identifying school districts in each region of the country that have challenges. We will have them come down for a day to 2 day intensive training at the University of Mississippi. They have a center for nutrition [the National Food Service Management Institute] down there. We will then identify school districts of a similar type and nature that have successfully, part of the 90+ percent of school districts that have embraced this, to help them create some peer-to-peer opportunity. And then we have additional grant resources, and as we learn about challenges we have been willing to grant flexibilities, the wheat pasta as an example, some of the breakfast challenges and requirements. And we are seeing more resources going into this program in total, about \$200 million of additional revenue going to schools.

So we are going to continue to work on it—

Mr. DAVIS. Great.

Secretary VILSACK.—and we are going to continue to try to be helpful.

Mr. DAVIS. Well, I appreciate that. I know many of my school districts are having challenges in the rural areas, but the second-largest district in Illinois is not in a rural area. It is in Wheeling, Illinois, very suburban Chicago, a wealthier district, too. So I look forward to having them work with the University of Mississippi, too.

And also, since we are talking about food and nutrition benefits here, the reason I want to make sure that we see your continued work on flexibility is because the child that is hurt the most when the requirements are less flexible is the child that gets his or her only meal of the day at school. And I want to make sure that the school has that flexibility to provide that healthy meal that we all want that child to meet.

So thank you. My time has expired, sir, and it is good to see you again.

The CHAIRMAN. The gentleman's time has expired. The chair now turns to the gentlelady from New Mexico for 5 minutes and hopes that we all get rained on this weekend at home.

Ms. LUJAN GRISHAM. It is one of those mixed blessings, Mr. Chairman. We want sufficient rain always to address our drought, but we don't want a deluge that then creates watershed problems and continued flooding. So I will hope that like the bipartisan comments that have been made here today, having a lot to do with your leadership, I use this Committee as a shining example when I am back home for my constituents that we get just enough rain, not too little, not too much.

And it actually is a great segue, Mr. Chairman, into my question. I do appreciate that we are working hard to figure out the best way to make sure that we are addressing hunger and access to the programs that make a difference but making sure that those programs have integrity and accountability. And so I am really interested in finding that balance, particularly in New Mexico. And while we are seeing the economy improve across the country, that is not true everywhere. And while the nation, Mr. Secretary, as a whole has seen complete job recovery in terms of the jobs lost as a result of the recession, that is not true in New Mexico. In fact, we have job losses just above four percent still, and in the heart of my district, Albuquerque, we are still in a double-dip recession. And I know that you are fully aware, and I appreciate that, and that the whole Department is clear that we are number one in the country for hungry children, and we are number two in the country for hungry adults, issues I am very concerned about and working diligently to address.

New Mexico is interested in the pilot and is a state that has long sought after the waiver for work requirements given these conditions. We had our Human Services Secretary before one of our Subcommittees, and the Secretary has made it very clear in her statements, her leadership, and in this Administration, positions I don't agree with and that is okay. But the State of New Mexico has made it very clear that these benefits, these entitlements or programs, to alleviate hunger, are nothing more than a transfer of resources from people who pay taxes to people who don't. This bias, on the state level, creates real issues including that we have considerable backlog in applications requiring court orders. I use that in a plural, and those debates continue.

So what I want to talk about is that poverty must be addressed in my state. I absolutely want people to have access to meaningful employment. We absolutely want able-bodied individuals and families to have access to success. But to penalize children and adults who are currently the hungriest in the country, is exactly what will happen if a state like New Mexico isn't careful about finding a balance.

Can you talk to me about how you are going to evaluate these states, what you are going to do to make them accountable, and be clear that the intended purposes for your pilots are met and that states with a philosophical difference to these pilots would not be allowed to manipulate them in order to stop, say, the distribution of SNAP and food stamp benefits?

Secretary VILSACK. Congresswoman, I think it starts this afternoon at approximately 1:30 when I will speak to Governor Martinez about this very issue. I have a phone call scheduled with her

to talk about the pilot and to talk about how New Mexico potentially could be involved in this effort.

I would say first and foremost, the application process is pretty clear that there is going to be a requirement that data be collected, that there be a serious evaluation of programs, that there will be some accountability if programs don't meet the goals outlined in the application. We reserve the right to basically stop the pilot. This is not designed to be a punitive effort. This is designed to be an incentive-driven effort in the hopes that we identify the best practices that then can be utilized by us to do a better job on the regular program. As I have said several times today, we really have to do a better job, we, the collective we, have to do a better job on this employment and training effort in SNAP to really connect the people that are looking for work, want to work, would love to work, but are having a hard time finding a job, having the skills to get the jobs that are in demand. And for those who currently are working, maybe we get them a better-paying job so they don't need as many benefits or any benefits at all.

Ms. LUJAN GRISHAM. And to that end, Mr. Secretary, is it possible, in not doing sufficient research before this Committee hearing, to identify what your authority is? But it appears to me that before a state like New Mexico ought to even be invited to prepare a pilot, they ought to assure you that the current requirements are being met. And, this must include assurance that the backlog is addressed. For now, this has been done by local advocates and partners because there is no accountability support outside of the state. And it appears to me that accountability would be a very vital role for USDA. I would like your assurance, based on your independent review of the state, to make sure we are addressing hunger in New Mexico.

Secretary VILSACK. I can assure you, Congresswoman, that we take very seriously the responsibilities of states to actually make this program available to people and not to create unnecessary or undue barriers to participation.

When I became Secretary, there were a number of states that were under-performing in terms of eligibility. There were states that had less than 50 percent of eligible people actually participating in the program. Today our participation rate is 83 percent, and obviously, we are sensitive to the need to get people who are eligible and entitled to the program the assistance they need. At the same time, we are cognizant of the fact of the need to do a better job of creating opportunities for people who can work to work which reduces the reliance of the program which is—that is what we ought to be doing.

Ms. LUJAN GRISHAM. Thank you.

The CHAIRMAN. The gentlelady's time has expired.

Ms. LUJAN GRISHAM. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The chair would note to the membership that the Secretary needs to depart at noon. That is 20 minutes. We have three more Members. If we maintain our present number, we will continue the 5 minute rule. If we have a whole number of Members, we may discuss shortening that to allow everyone a chance. With that, the chair recognizes the gentleman from Florida, Mr. Yoho.

Mr. YOHO. Thank you, Mr. Chairman, and I too would like to say how much I appreciate your leadership on this Committee, your bipartisan support and your stellar effort to get the farm bill passed and your statesmanship out there on the Floor. It was the highlight of my first year in Congress, and I appreciate your leadership. Mr. Vilsack, I appreciate you leading the USDA.

One of the things that has come up several times is the integrity of the program for the SNAP program. Mr. Conaway brought it up, Mr. Scott, Ms. Lujan Grisham, and myself have personally seen people abusing the system or making poor choices. I was back in the district right before we came back, and this young fellow came in to a Jiffy Store. He was buying gas, a six-pack of beer, cigarettes, and he bought a sandwich with his food stamps, and then he pulls out cash to pay for the other things and lottery tickets. And that is the kind of thing that ruins the integrity of the program because the working person out there, as Mr. Scott says, we see hard-working people paying their taxes and those things going on. And it just kind of erodes the faith of the American people. And I know we are working on it. We can't stop all that. But I felt like I should bring that up because I see that often.

What I would like to bring up is you stated there are many different segments of SNAP. What is your goal, to reform, refine, streamline the SNAP Program, and what is that time period? I mean, if you could ultimately pick a program where it doesn't have so many segments to it. Can you streamline it?

Secretary VILSACK. Well, Congressman, we are engaged and involved in trying to figure out ways to streamline processes at USDA. Each mission area has a requirement that I have imposed to have two process improvement programs in place in an effort to try to save time and save resources. It is part of our administrative services process. We have already identified over a billion dollars in savings.

I can't speak specifically to efforts relating to SNAP, but I would be more than happy to let you see what we are doing in the process improvement area to assure you that we are focused on this.

But I also want to say that we take our responsibility on fraud and abuse very seriously. Over 700,000 individual interviews and investigations were conducted in Fiscal Year 2013. We took a look at thousands of stores who we felt as a result of the data mining that we do might not be playing by the rules. Nearly 2,000 were either disqualified from participation in the program or sanctioned as a result of that review on an annual basis.

We have the lowest fraud and error rate in the history of the program. There is still work to be done. That is why we have proposed a series of measures to increase the number of inspectors and auditors and investigators at USDA. It is also a reason why we suggested a change of stores that qualify, the qualification standards, in terms of the kinds of foods that they sell. We know that a lot of problems occur not in the large scale chain grocery store—

Mr. YOHO. Right.

Secretary VILSACK.—but in a lot of those convenience stores. So we are taking that accountability responsibility seriously, and we will continue to work on that.

Mr. YOHO. Okay. That is good to know, and I appreciate that. How does this pilot program differ from the TANF reforms that were made in 1996 and implemented in—was July 1 of 1997?

Secretary VILSACK. Well, this program is really designed to sort of be like a *Match.com*. There are people out there that are capable of working, that want to work, or that are currently working that would like to work better-paying jobs. They just are having a hard time figuring out how to do that. And then there is the responsibility that we have to try to provide help and assistance.

And so what this is designed to do is to say to states and local nonprofits and so forth, be creative. Figure out ways in which we can create that connection. Figure out ways in which we can improve job searching skills. Improve basic skills so that people understand when they have to come to work at 8:00, it means they have to be there 5 minutes to 8:00, *et cetera*.

So it is really designed to create that connection to reduce the number of people needing SNAP because they have a job or a better paying job.

Mr. YOHO. Okay. And that is good to know also. Can other states opt into this pilot program over the ten-state allotment? If you are seeing this successful, can we roll other states into this?

Secretary VILSACK. Well, if you give us the permission to do that we can.

Mr. YOHO. Okay.

Secretary VILSACK. Right now with the tough evaluation process, we really do want to identify best practices, and the hope is that by identifying these best practices we can then basically expand those in the basic program, the E&T program to eventually all 50 states. That is the whole purpose of this is to figure out what works and then to say to other states, "This works. Try it."

Mr. YOHO. Okay. I have one other question, but I am out of time. I will get it to you and I appreciate your being here. Thank you. I yield back.

The CHAIRMAN. The gentleman yields back. The chair now recognizes the gentleman from Connecticut, Mr. Courtney, for 5 minutes.

Mr. COURTNEY. Mr. Chairman, like the others, I want to salute you. Over the last 4 years I have sat on this Committee and watched your extraordinary deft touch as Chairman, trying to navigate a very challenging piece of legislation, and I want you to know that even in New England, you have a fan club. Whenever I go to the Connecticut Farm Bureau, they speak of you very reverentially. So your reputation is wide and far.

Mr. Secretary, I appreciate the comments you made earlier about the fact that the best way to reduce food stamp expenditures is to increase employment and earnings. That is the path that we know, and the good news is CBO (Congressional Budget Office) is already starting to signal that we have sort of hit the tipping point, and if this recovery can be nurtured and grown, that expenditure is going to fall for USDA.

First of all, I want to note that increasing earnings would also reduce expenditures. CBO has indicated that if we would actually pass the minimum wage bill, there is an estimate in terms of the billions of savings for the taxpayer. And it is unfortunate that

there is a bill that has a discharge petition with close to 200 signatures in the House, yet it can't get a vote.

The other question I want to ask you is regarding the Workforce Opportunity and Investment Act, that the President signed in July. As you know, this is updating of the Job Training Program, which hasn't been changed since Bill Clinton was President. I know Secretary Perez is hard at work in terms of getting the opportunities out there for workforce investment boards, employers, states, to take advantage of what is going to be a much smarter program in terms of connecting people to openings that are out there.

So I realize you just started the wheels turning. But, can you tell me if a state or a group that wanted to pursue a pilot program, is there anything that obstructs them or blocks them from incorporating some of the—components that the Department of Labor is now starting to promote?

Secretary VILSACK. No, in fact, Congressman, we are encouraging that. In working with Secretary Perez, there are several elements of the application process and criteria that speaks specifically to the work that they are doing to try to dovetail and to integrate. I think that Congress was fairly clear. They wanted us to work collaboratively at the Federal level with sister agencies. They wanted us to work collaboratively with state governments and local governments and nonprofits, anybody who was interested in trying to make the connection. I would say that I would certainly agree with you on the minimum wage issue. It is 3.6 million folks who would not need SNAP or as much SNAP if the minimum wage were increased.

And we are focused despite the fact we had 54 months of private sector job growth, a record. The long-term unemployed still continue to be a problem, and those are precisely the people that we are likely to get connected here in this employment and training effort. That is certainly going to be a focus.

Mr. COURTNEY. Thank you. You know, this morning in *The Day* (formerly *The New London Day*) which is the paper of record for New London County, the unemployment rate is still 6.8 percent, but the headline was: *Good Help is Harder to Find*. And it talked about how employers now, as opposed to a year or 2 years ago, there are openings. They are not getting 100 applicants, they are getting maybe a dozen at most. And again, trying to connect people to those openings is now becoming more and more of a challenge.

Secretary VILSACK. And what I hope from this is that the folks in the Human Services Department in the State of Connecticut speak to and communicate with the Workforce Development folks. Right now I don't think enough of that happens at the state level because these folks over here know who the SNAP beneficiaries are, and these folks over here know where the jobs are. They don't necessarily talk to one another. If they did, we would make better connections. So that is part of what we are going to try to encourage is more collaboration within departments, within states as well.

Mr. COURTNEY. I think that would be a good message for all of us, all the Members, to take back to their states, both with the Agricultural Act of 2014 and the Workforce Opportunity and Invest-

ment Act, there is some good synergy that can accelerate the recovery.

With that, I yield back.

The CHAIRMAN. The gentleman yields back. The chair now recognizes the gentlelady from Illinois for 5 minutes.

Mrs. BUSTOS. Thank you, Mr. Chairman. Since this is likely our last hearing that we will have during this Congressional session, I too want to thank the Chairman and the Ranking Member for your hard work. It has been a pleasure to work with folks who understand the importance of working together, and I personally want to thank the Secretary for coming to my district on Monday. It was, I thought, a great session with our farmers, and I want to thank you for taking the time to come.

I apologize in advance if any of these questions were asked. I just have a couple. I was in another hearing for another committee I am on, but it is my understanding that you will be partnering with states and local workforce boards and also local nonprofits. But will the pilots be working directly with local employers and also with local educational institutions such as community colleges as we move forward on this? Or is that just up to what the pilots end up applying for?

Secretary VILSACK. There is nothing to discourage that, and probably there is a lot to encourage that. That is precisely what we want to see is that collaboration at all levels. And so obviously that would be a factor in strengthening an application if we saw a significant collaboration at the local level.

Mrs. BUSTOS. And as it pertains to encouraging different components of the pilot programs, something I hear all over our Congressional district when I am home is the importance of affordable childcare for people to go back to work. Will there also be any components to encourage childcare as part of these pilot programs? Anything that the USDA can do to help have that part of the equation as we talk about this, going forward?

Secretary VILSACK. There would be the capacity for that element and other elements similar to that—transportation issues—to be addressed in pilot, and proposed, in terms of utilization of some of the resources for the benefit of reducing those barriers. Bottom line is a better understanding of what those barriers are and a better understanding of how best to address the barriers. That is part of what we hope to be able to get from these applications.

Mrs. BUSTOS. Okay, and then last, you were just in our district so you understand the rural nature of it. We have pockets of a little bit more urban areas, but I represent mostly a rural district. So as the pilot applications come in, do you consider kind of the disparities and to make sure we have, geographically, a good representation in these pilot programs.

Secretary VILSACK. That is absolutely part of what we will consider, and I can assure you that we will have a good representation of both urban, suburban, and rural areas so that we can identify best practices for all states. Every state has a rural area, and some states obviously are more rural than others. But at the end of the day, a lot of the unemployment challenges, a lot of the SNAP challenges are in those small, rural areas where unemployment is higher and long-term unemployment is more severe and poverty is

more persistent. So clearly we are going to be focused on making sure we address the rural challenges. And again, if we can identify best practices, things already at work, then hopefully we can replicate that in other states and bring these SNAP numbers down.

Mrs. BUSTOS. Okay. Very good, I look forward to seeing how this all unfolds as we move forward, and I want to thank you for your time today. I yield back, Mr. Chairman.

The CHAIRMAN. The gentlelady yields back. Seeing no other Members seeing recognition for a question, the chair would simply like to note once again to the Secretary, thank you for being here, your insights, and your appreciation for how important the Committee views this endeavor to be.

And with that, I thank all of my colleagues for their attention, and under the rules of the Committee, the record for today's hearing will remain open for 10 calendar days to receive additional material and supplemental written responses from the witness to any questions posed by a Member. This full Committee hearing is now adjourned.

[Whereupon, at 11:52 a.m., the Committee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED STATEMENT OF HON. STEVE SOUTHERLAND II, A REPRESENTATIVE IN
CONGRESS FROM FLORIDA

I would like to thank Chairman Lucas and Ranking Member Peterson for holding this important hearing on the implementation of the bipartisan pilot projects passed in this year's farm bill. These projects, aimed at enabling struggling Americans to advance toward work, are based on the proven success of the 1996 welfare reform law. The testimony of U.S. Secretary of Agriculture Tom Vilsack, which noted "*we want to help people move towards self-sufficiency the right way by helping them to secure and maintain jobs,*" is also appreciated.

The farm bill empowered ten states to operate pilot projects to engage able-bodied adults in TANF-style work and job training programs with the goal of reducing government dependency and returning individuals to work. Similar demonstration projects were instrumental in the years leading up to the landmark 1996 welfare reform law. As we all know, the law was highly successful, resulting in increased earnings for beneficiaries and reducing welfare caseloads by more than ⅔ over 10 years. Welfare reform was also responsible for bringing child poverty to an all-time low.

Consequently, I was honored that an amendment I offered to the farm bill helped set the stage for implementation of these pilot projects. We know what works and must continue to promote work and self-sufficiency as the ultimate goal.

As the U.S. Department of Agriculture implements this pilot program, it is critical that the agency adhere to the intent of Congress and reflect the statutory language in its selection process. This includes testing a range of strategies, a broad spectrum of geographic regions, rapid attachment to employment, and mandatory as well as voluntary participation in employment activities.

Thank you again and I appreciate the House Agriculture Committee's and Secretary of Agriculture's attention to this important pilot project to improve the lives of vulnerable Americans.

SUBMITTED QUESTIONS

Questions Submitted by Hon. Gloria Negrete McLeod, a Representative in Congress from California

*Response from Hon. Thomas "Tom" J. Vilsack, Secretary, U.S. Department of Agriculture**

Question 1. How much is the Federal investment in E&T without the incentive grants and what are you doing to prioritize the use of the funds in communities with the highest unemployment, like San Bernardino County?

Question 2. Even when there is investments of E&T dollars in high unemployment areas, E&T can't really place people in jobs that aren't there, correct? Can you speak to why SNAP eligibility is essential for families and communities with long-term unemployment?

Question 3. It is my understanding that most SNAP recipients are children and that the adults who receive aid and can work, do work, but the wages they receive for their work are too low and they remain under poverty. Is there anything that a SNAP E&T Program can do—that is scalable—to change this dynamic?

Question 4. My public housing authority in San Bernardino County is a Moving to Work Agency. The primary goal of the Moving to Work program is to help public housing residents become more self-sufficient. Consequently, our housing authority has implemented work requirements and they are continuing to provide robust supportive services for residents. These residents are also usually receiving some form of food assistance. Do you see some synergy working with Moving to Work Agencies like the one in San Bernardino County? What do you think is the best way to help MTW agencies that are using some of their HUD money on workforce development efforts to also leverage that money with funds USDA has available to encourage work requirements?



*There was no response from the witness by the time this hearing went to press.